Office of Rural Community Affairs

Funding Programs

Water Technologies for Rural Texas Conference

December 2, 2003

Texas Community Development Program (TCDP)

- Created in 1981 by U.S. Congress, which allowed states to administer the non-entitlement portion of H.U.D.'s Community Development Block Grant (CDBG) Program
- Administers the nation's largest CDBG Program
- Focuses on meeting "basic human needs"
  - Safe and sanitary sewer systems
  - Clean drinking water
  - Disaster relief / urgent needs projects
  - Housing, drainage, flood control, economic development, and other eligible activities

Texas Community Development Program (TCDP)

- National Objectives (24 CFR 570.483)
- Benefit primarily persons of low to moderate income (LMI)
- Aid in elimination of slums and blight
- Meet other urgent community development needs that pose a serious and immediate threat to the health and safety of the public

Texas Community Development Program (TCDP)

- Funds are distributed among 24 state planning regions based on population, poverty, and unemployment
- Each region has a Regional Review Committee with 12 local elected officials appointed by the Governor
- The scoring of applications is shared by TCDP and the 24 Regional Review Committees
- FY03 total funds $48,489,615
  - Grants range from $75,000 to $800,000

Texas Capital Fund

- Available for projects that create and retain permanent jobs, primarily for LMI persons
- Provides funds through Infrastructure Development and Real Estate Development Programs in support of businesses
- Provides funding through Main Street Improvement Program to foster and stimulate development of small businesses in central business districts
- Administered by the Texas Department of Agriculture through an interagency agreement
- FY03 total funds $12,585,000
  - Grants range from $50,000 to $750,000
  - Applications received 3 times annually

Colonia Fund

- Provides funds for any community determined to be a colonia using objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe and sanitary housing
- Community must have been in existence as a colonia before the date of the enactment of the Cranston-Gonzales National Affordable Housing Act (November 28, 1990) and be within 150 miles of the Texas/Mexico Border
- FY03 total funds $10,658,375
  - Grants range from $75,000 to $500,000

Planning & Capacity Building Fund

- Funds may be used to assist eligible cities and counties to:
  - Assess local needs
  - Develop strategies to address local needs
  - Build or improve local capacity
  - Address other needed local planning elements

- FY03 total funds $776,000
  - Grants range up to $50,000
  - Applications usually taken in September each year

Planning & Capacity Building Fund

- Examples of activities:
  - Base studies
  - Water system
  - Wastewater system
  - Economic/Employment /Tourism development
  - Central business district
  - Street conditions/Traffic circulation
  - Drainage

Disaster Relief/Urgent Need Fund

- Applicant may qualify for these funds if the locality is impacted by a natural disaster or if an urgent need situation exists
- Disaster relief funds are available for eligible activities that address damage caused by natural disaster (e.g., floods or tornadoes) following an emergency declaration by the President or Governor
- Urgent need funds are available for water & sewer needs where a serious threat to health or safety has originated within the past 18 months
- FY03 total funds $3,500,000
  - Grants range from $75,000 to $400,000
  - Applications taken as needed after disasters

Housing Infrastructure Fund

- Provides competitive grants for development of single family and multifamily LMI housing
- 51% of units must be owned or occupied by LMI persons
- TCDP funds used for infrastructure improvements
- Eligible projects must leverage public or private resources for actual housing construction
- TCDP encourages use of energy efficient construction and appliances
- FY03 total funds $2,400,000
  - Grants range from $75,000 to $400,000
  - Applications usually taken in August of each year

Housing Rehabilitation Fund

- Eligible applicants may use grant funds to provide loan or forgivable loan assistance for rehabilitation of existing owner-occupied and renter-occupied housing units
- Emphasis on housing activities that provide accessible housing for persons with disabilities
- All homes must be brought up to HUD Section 8 existing housing quality standards
- FY03 total funds $1,500,000
  - Grants range up to $250,000
  - Applications usually taken in September of each year

TCDP STEP Fund

- Innovative program offering small communities a self-help approach to solving their water and wastewater needs using greater initiative and fewer dollars

- FY03 total funds $2,700,000
  - Grants range up to $350,000
  - Will change to competitive process 3 times per year in 2004

TCDP STEP Fund

- A successful project must show:
  - Readiness: community knows it has a problem and is ready to solve it now
  - Capacity: community has individuals willing to volunteer, some technical skills in the neighborhood, and access to some equipment
  - Leadership: a community leader that is able to make things happen and stick with the project
  - Savings: At least a 40% savings off of retail costs

Microenterprise Loan Program (New)

- Competitive grants for non-entitlement eligible rural Texas cities/counties with economic development needs
  - Projects will create or retain jobs primarily benefiting LMI people
  - Funded with program income generated from the repayment of Texas Capital Fund awards
- Participating businesses must commit to create/retain at least one job for every $25,000 borrowed
  - $500,000 available in Spring of ’04
  - Grants range from $50,000 to $100,000

Microenterprise Loan Program (New)

- Eligible activities
  - Assistance to non-profits for the purpose of establishing a loan program
  - Assistance through local governments supporting non-profits for the purpose of establishing loan programs for for-profit businesses
  - Working capital (raw materials, inventory, rent, utilities, salaries, and other needs identified for business operation)
  - Machinery, equipment, real estate improvements, engineering, and administration

Microenterprise Loan Program (New)

- Ineligible activities
  - Debt service, refinancing, salaries for business principals
  - Construction of buildings for conduct of government
  - Financing of political activities
  - Purchase of construction equipment
  - Operation and maintenance expenses

Small Business Loan Program (New)

- Competitive grants for non-entitlement eligible rural Texas cities/counties with economic development needs
  - Projects will create or retain jobs primarily benefiting LMI people
  - Funded with program income generated from repayment of Texas Capital Fund Awards
- Participating businesses must commit to create/retain at least one job for every $25,000 borrowed
- $1,000,000 available in Spring of ’04
  - Grants range from $50,000 to $100,000

Small Business Loan Program (New)

- Eligible activities
  - Assistance for for-profit entities employing less than 100 employees
  - Working capital (raw materials, inventory, rent, utilities, salaries, and other needs identified for business operation)
  - Machinery, equipment, real estate improvements, engineering, and administration
- Ineligible activities
  - Debt service, refinancing, salaries for business principals
  - Construction of buildings for conduct of government
  - Financing of political activities
  - Purchase of construction equipment
  - Operation and maintenance expenses

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